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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant: Franck Savard

Serial No.: 09/763,507

Filed: JUL 25 2001 February 23, 2001

Title: REAR DERAILLEUR DEVICE FOR A BICYCLE.

Docket No.: 33354

DECLARATION OF DOMINIQUE FRANCOIS

Commissioner for Patents
Washington, D.C. 20231

Dear Sir:

Dominique Francois, being duly sworn, and having knowledge of the facts set forth herein, deposes and says that:

1. I am a French Intellectual Property attorney and I am qualified to practice law in the jurisdiction of France. I am practicing law in the Intellectual Property law firm Cabinet Weinstein, Paris, France.
2. I examined the following documents, which I have in my file:
 - a. RECORD OF THE ADJUDICATION OF THE PATENTS DOCKETS AND PATENT APPLICATIONS DEPENDING ON THE COMPANY "EGS", dated July 11, 2000, (PROCES-VERBAL D'ADJUDICATION DES DOSSIERS DES BREVETS ET DES DEMANDES DE BREVETS, DEPENDANT DE LA SA "EGS"), dated July 11, 2000.
 - b. Assignment agreement between Franck Savard (assignor) and Christian Gauthier (assignee), (CONTRAT DE CESSION DE QUOTE - PART DES DEMANDES DE BREVET), dated June 12, 1998.
 - c. Contribution agreement (CONTRAT D'APPORT) between Christian Gauthier and Franck Savard (assignors) and

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the Company EGS S.A., Chatellerault, France
(assignee), dated June 12, 1998.

3. I have examined the above-mentioned agreements and came to the following conclusions:

- a. As used herein, the term "patent" or "patents" means all issued patents and pending patent applications, in every country throughout the world which was owned by the company EGS, S.A., Chatellerault, France as of the date of the below-mentioned public auction, July 11, 2000.
- b. On the basis of a ruling by the bankruptcy judge before the Commercial Court of Poitiers dated March 13, 2000, the judge has ordered to carry out a public auction of the totality of the constituents of saleable assets resulting from the legal liquidation of the company EGS at Chatellerault. The public auction has taken place in Chatellerault, France, on July 11, 2000.
- c. Pursuant to a decision ordered by the Tribunal de Grande Instance of Chatellerault of July 11, 2000, the company Shimano Inc., Osaka, Japan, 3-77 Oimatsu cho, has purchased all patents of the company EGS. Shimano Inc. has paid the purchase price of 1,790,250 French Francs by swift transfer to the account of the notary public. The notary public has confirmed to have received the purchase price and has carried out the transfer to Shimano Inc.
- d. The notary public has made this public auctions according to Article 4 of the Law of June 25, 1841 related to public auctions and Article 156 of the French bankruptcy law.
- e. The purchased patents are listed in the auction record and are designated as dossiers: Savard 1, Savard 2, Savard 3, Savard 5, Savard 7, Savard 8,

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- Savard 10, Savard 11, and Savard 12.
- f. All patents have been subject to the auction purchase of Shimano Inc.
 - g. As shown in the list, which is part of the record of the auction, the French Patent 8 has been filed on February 26, 1997, Patent Number 97 02573. A PCT Patent application has been filed on the basis of the French patent on August 26, 1998 under Application number PCT/FR/01854. Registered inventor and PCT applicant for the territory of the U.S. is Mr. Franck Savard, 11 Lotissement de Textres, F-22400 Planguenoual, France.
 - h. According to my assessment and on the basis of the documents listed above, the company EGS was the legally entitled owner of the above mentioned Patent/Patent application at the date of public auction on July 11, 2000.
 - i. With assignment agreement between Franck Savard (assignor) and Christian Gauthier (assignee) dated June 12, 1998, Franck Savard stated to be the sole owner of the mentioned patents. According to Article 1 of this agreement, Franck Savard has assigned 50% of his patent rights to Christian Gauthier.
 - j. With contribution agreement between Christian Gauthier and Franck Savard (assignors) and the Company EGS, S.A., Chatellerault, France, (assignee), dated June 12, 1998, herein section "APPORT" the co-owners Franck Savard and Christian Gauthier have assigned their patent rights to the company "EGS", Chatellerault, France.
 - k. By effect of these agreements, the company EGS, Chatellerault, France, was the sole owner of the above mentioned patent/patent applications on the

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date of the action on July 11, 2000.

1. To be noted that it appeared that Monsieur Patrick Savard, who is Monsieur Franck Savard's brother, claimed some co-ownership rights to the above-mentioned patents. But to the best of my knowledge, no legal action whatsoever has been taken by Mr. Patrick Savard whose claim does not appear as being consistent.

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under 18 U.S.C. § 1001, and that such willful false statements may jeopardize the validity of the present application or any patent issued thereon.


Dominique Francois


Date

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GESAMT SEITEN 05

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

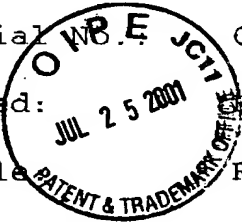
Applicant: Franck Savard

Serial No.: 09/763,507

Filed: February 23, 2001

Title: REAR DERAILLEUR DEVICE FOR A BICYCLE

Docket No.: 33354



DECLARATION OF ALMUT GERSTING

Commissioner for Patents
Washington, D.C. 20231

Dear Sir:

Almut Gersting, being duly sworn, and having knowledge of the facts set forth herein, deposes and says that:

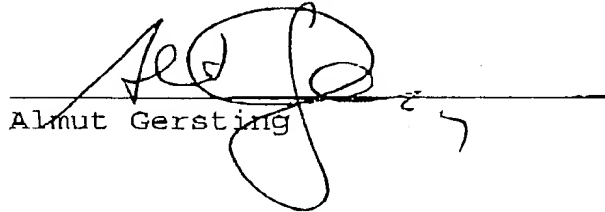
1. I am a German attorney and I am qualified to practice law in the jurisdiction of Germany. I am practicing in the partnership Wallinger & Partner, Zweibrückenstr. 73, 80333 München, Germany. Wallinger & Partner is the representative of the intellectual property interests of Shimano Inc., Osaka (Japan), 3-77 Oimatsu-cho. Shimano Inc. has purchased all patents and patent applications held by the company „EGS“, Chatellerault at a public auction in Chatellerault, France on July 11, 2000.
2. Pursuant to a decision ordered by the Tribunal the Grande Instance of Chatellerault of July 11, 2000, the company Shimano Inc., Osaka, Japan, 3-77 Oimatsu cho, has purchased all patents and patent applications of the company EGS. Shimano Inc. has paid the purchase prize of 1,790,250 french Franc by swift transfer to the account of the notary public. The notary public has confirmed to have received the purchase prize and has carried out the transfer to Shimano Inc.
3. The purchased patents are listed in the auction record

and are designated as dossiers: Savard 1, Savard 2, Savard 3, Savard 5, Savard 7, Savard 8, Savard 10, Savard 11, and Savard 12.

4. All patents and patent applications have been subject to the auction purchase of Shimano Inc.
5. As shown in the list, which is part of the record of the auction, the French Patent 8 has been deposited on February 26, 1997, Patent Number 97 02573. A PCT patent application has been filed on the basis of the French patent on August 26, 1998 under Application No. PCT/FR98/01854. Registered owner and applicant is the company EGS, Chatellerault, France. Registered inventor and PCT applicant for the territory of the U.S. is Mr. Franck Savard, 11 Lotissement de Tertres, F-22400 Planguenoual, France.
6. With letter dated February 22, 2001, we have instructed the U.S. attorneys Pearne & Gordon LLP, Cleveland, Ohio, to file a national phase application in the U.S.A. based on PCT/FR/9801854. With registered mail dated May 18, 2001, I have requested the registered inventor, Mr. Franck Savard, 11 Lotissement de Tertres, F-22400 Planguenoual, France, to sign the Form DECLARATION AND POWER OF ATTORNEY and the Assignment Form necessary to present to the USPTO for entering into the national phase in the U.S.A. I have received back the signed register form acknowledging receipt of the letter. With a letter dated May 28, 2001, copy attached as Attachment 1, Mr. Franck Savard has refused to sign both required forms requesting to receive payment of EUR 2,000,000 (two million) as consideration for his signature.

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further

that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under 18 U.S.C. § 1001, and that such willful false statements may jeopardize the validity of the present application or any patent issued thereon.


Almut Gersting

July, 23, 2001
Date

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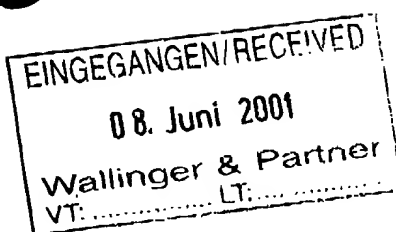
Wallinger & Partner

M. Almut Gersting
Zwelbrückenstrabe 2

80331 München

FAX : 00.49.89.21.94.94.08

Ref : 5307P194-PCT/US



Franck SAVARD

11 Lotissement des tertres
22400 Planguenoual
FRANCE

Tel : 06.10.83.84.02

Le 28 mai 2001

Cher Maître

Votre courrier du 18 mai 2001, reçu le 23 mai, a retenu toute mon attention ; je suis même surpris de ne le recevoir que maintenant ! ...

Vous trouverez ci dessous un relevé d'identité bancaire sur lequel je vous demande de faire virer par votre client SHIMANO la somme de 2 000 000 (deux millions) d'Euros.
Un document réciproque de renonciation de toute action en justice sera signé concomitamment entre les parties.

Dés ce virement parvenu sur ce compte, je m'engage à signer tous documents nécessaires à la pérennité de mes inventions et à la meilleure exploitation commerciale par la société SHIMANO de mes dites inventions, particulièrement stratégiques quant à l'avenir du vélo.

Comprenez bien qu'avec la liquidation d'EGS dû aux conséquences de son P.D.G Christian GAUTHIER, j'aie aujourd'hui tout perdu et donc n'ayant plus rien à perdre je ne suis sensible à aucune menace.

Certain que vous préférerez un bon arrangement à un mauvais long procès ; qui de plus, est loin d'être perdu d'avance pour moi vu la somme de documents pertinents dont je dispose, et qui attestent de ma bonne foi sur le fond de cette histoire ou je n'ai péchée par naïveté que sur la forme nécessaire à la protection de mes intérêts.

Ouvert à tout dialogue sérieux, je vous prie d'agréer cher Maître mes respectueuses salutations.

Franck SAVARD

A stylized handwritten signature in black ink, consisting of several sweeping strokes.

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Translation
of letter from Franck Savard to Wallinger & Partner
dated 28 May 2001

Ref: 5307P194-PCT/US

Dear Sir,

Your letter of 18 May 2001, received on 23 May, has received my whole attention; I am even surprised to receive it only now ! ...

You will find below relevant data on a bank account to which I ask that you have your client Shimano transfer the amount of 2 000 000 (two million) Euros. A mutual document for renouncing any legal actions shall concomitantly be signed between the parties.

As soon as the transfer has arrived at the account, I shall proceed with signing all documents necessary for continuation of my inventions and for the best commercial exploitation by Shimano of said inventions, in particular strategies concerning the future of the bicycle.

Please understand that with the liquidation of EGS owing to the inconsequence of their General Director Christian Gauthier, I have lost everything and since I have no more to lose I am not susceptible to any menace.

You will certainly prefer a satisfactory arrangement over an unpleasant long lawsuit; moreover by no means would I give up in advance in view of the amount of documents which I have in my possession and which attest my good faith on the background of this matter in which my only sin was naivete concerning the necessary form of protection of my interests.

I am open for any serious dialogue and remain with best regards

Franck Savard

Attachment 1

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